



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, without revision, the Disclosure Requirements of Regulation Y Associated with Minimum Requirements for Appraisal Management Companies (FR HY-5; OMB No. 7100-0370).

DATES: Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

ADDRESSES: You may submit comments, identified by *FR HY-5* by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove sensitive personally identifiable information at the commenter's request. Public comments may also be viewed electronically or in paper in Room 146, 1709

New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays.

For security reasons, the Board requires that visitors make an appointment to inspect comments.

You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, if approved. These documents will also be made available on the Board’s public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC, 20551.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. In exercising this delegated authority, the Board is

directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

Request for comment on information collection proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following information collection:

Report title: Disclosure Requirements of Regulation Y Associated with Minimum Requirements for Appraisal Management Companies.

Agency form number: FR HY-5.

OMB control number: 7100-0370.

Frequency: Event generated.

Respondents: Federally regulated and state regulated Appraisal Management Companies (AMCs) and U.S. states.

Estimated number of respondents: 3,136.

Estimated average hours per response: Section 225.192, 0.08 hours; Section 225.193, 41 hours; Section 225.195, 1 hour; Section 225.196, 1 hour.

Estimated annual burden hours: Section 225.192, 237 hours; Section 225.193, 3214 hours; Section 225.195, 11 hours; Section 225.196, 51 hours.

General description of report: The Board's disclosure requirements associated with minimum requirements for AMCs are found in sections 225.192, 225.193, 225.195, and 225.196 of the Board's Regulation Y.

Section 225.192(b), Written Notice of Appraiser Removal from Network or Panel, provides that an appraiser in an AMC's network or panel is deemed to remain a part of the AMC's appraiser panel until the AMC (1) sends a written notice to the appraiser removing the appraiser with an explanation or (2) receives a written notice from the appraiser asking to be removed or a notice of the death or incapacity of the appraiser.

Participating states must have an AMC registration and supervision program. Pursuant to section 225.193(a), each participating state must establish and maintain within its appraiser certifying and licensing agency a registration and supervision program with the legal authority and mechanisms to, among other things, review and approve or deny an AMC's application for initial registration; require AMCs to submit reports, information, and documents; and report

violations of appraisal-related laws, regulations, or orders, and disciplinary and enforcement actions to the Appraisal Subcommittee.

Section 225.193(b) requires each participating state to require non-federally regulated AMCs to register with the state appraiser certifying and licensing agency.

Section 225.195(c) requires a federally regulated AMC to report to the state or states in which it operates the information required to be submitted by the state pursuant to the Appraisal Subcommittee's policies regarding the determination of the AMC National Registry fee, including information relating to certain ownership limitations in the regulation.

Section 225.196 requires that each participating state submit to the Appraisal Subcommittee the information required to be submitted by Appraisal Subcommittee regulations or guidance concerning AMCs that operate in the state.

There are no required reporting forms associated with these information collections. Compliance with the information collections is mandatory for AMCs and voluntary for states. No other federal law mandates these disclosure requirements. This information is not available from any other source.

Legal authorization and confidentiality: The FR HY-5 is authorized pursuant to section 1124(a) of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), which provides that the Agencies “shall jointly, by rule, establish minimum requirements to be applied by a State in the registration of [AMCs].”¹ Section 1124(e) of the FIRREA requires that the Agencies “jointly promulgate regulations for the reporting of the activities of [AMCs] to the [Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC)] in determining the payment of the annual registry fee.”² In addition, pursuant to section 1109(a) of

¹ 12 U.S.C. 3353(a).

² 12 U.S.C. 3353(e).

the FIRREA, each participating state with an appraiser certifying and licensing agency must transmit to the ASC “[1] a roster listing individuals who have received a State certification or license . . . [2] reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, license and certification revocations, and license and certification suspensions on a timely basis to the national registry of the [ASC] . . . [3] including investigations initiated and disciplinary actions taken.”³

Section 1124 of the FIRREA does not compel a state to establish an AMC registration and supervision program, nor is a penalty imposed on a state that does not establish a regulatory structure for AMCs.⁴ Therefore, the FR HY-5 is voluntary for states. The FR HY-5 is mandatory for AMCs.

Because the Federal Reserve will not collect this information, confidentiality issues would normally not arise. Because the records are retained at banking organizations, the Freedom of Information Act (FOIA) will only be implicated if the Board’s examiners retain a copy of the record as part of an examination or supervision of a banking institution. In that case, the records would be exempt from disclosure under exemption 8 of the FOIA, which protects examination materials from disclosure (5 U.S.C. 552(b)(8)). Exemption 4 of the FOIA, which protects confidential financial information, and exemption 6 of the FOIA, which protects non-public personal information, may also be applicable (5 U.S.C. 552(b)(4) and (b)(6)).

³ 12 U.S.C. 3338(a)(1)–(3).

⁴ 80 FR 32658 (June 9, 2015).

Consultation outside the agency: The Board, the FDIC, the OCC, and the FHFA collaborated in reassessing and confirming their burden estimates and methodologies for this submission and discussed potential improvements and evaluations for future submissions.

Board of Governors of the Federal Reserve System, March 1, 2019.

Michele Taylor Fennell,

Assistant Secretary of the Board.

Billing Code 6210-01-P

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